

Alaska Teamsters Saves Nearly \$1.3 Million on Self-Funded Claim Costs

The Challenges

“We were bleeding money,” recalls Dennie Castillo, administrator of Alaska Teamster-Employer Welfare and Pension Trust Plans. “Especially from the high cost of orthopedic surgeries. And we wanted to improve access to high-quality care.”

Cost and quality are challenges in Alaska. This state’s costs are rising faster than those of any other, and The Last Frontier spends more on healthcare per person than any state but Massachusetts.

“High healthcare costs hindered our negotiations for better wages for workers,” Castillo says. “Employers pay far more than the national norm for employee health benefits.”

Alaska ranks nearly last in the nation in the number of physicians and healthcare facilities. Access to orthopedic and other specialized care is difficult, with more than 70 percent of the state inaccessible by road.

The Solution

In 2013, Alaska Teamsters contracted with BridgeHealth for its innovative surgery benefit program. BridgeHealth negotiates with centers of excellence – the nation’s top-performing surgical teams, according to an independent third-party ranking – for episode-of-care case rates. BridgeHealth bundles the charges for each of the most common surgeries into a single discounted price.

“Alaska Teamsters’ members travel to these centers of excellence for common orthopedic, heart, spine, women’s health and general surgeries,” explains Castillo. “Our members pay nothing, with the health plan covering 100% of the entire cost for medical care, airfare with a companion, accommodations and incidentals.”



- Union and Labor group
- 2,230 union members in Alaska
- Average age: Female 58, Male 54

Trust Fund
Improves Access to
Top-Quality Care

CLIENT SUCCESS PROFILE

BridgeHealth's care coordinators help the union's members navigate their choices and make informed decisions, handling all the paperwork so patients can focus on getting well. Alaska Teamsters' web portal provides information about procedures, physicians and facilities, as well as patient testimonials. Simple steps guide members through BridgeHealth's surgery benefit program.

The Benefits

Through BridgeHealth's program, Alaska Teamsters spent nearly \$1.3 million less on surgeries between 2013 and 2016 than it would have through its PPO health plan.

RESULTS				
YEAR	2013	2014	2015	2016
COMPLETED SURGERIES	11	6	18	26
TOTAL SAVINGS	\$115,399	\$172,578	\$349,775	\$355,352
ROI	1.9	2.87	5.88	11.37

“These savings go straight into our investment fund, where the money grows to pay for the underlying claims of our self-funded health plan,” Castillo says. “And the quality of BridgeHealth’s national network is very high. Not a single surgery through BridgeHealth has led to a hospital readmission.”

In one year alone, hospital readmissions nationwide brought \$41 billion in additional costs. Postoperative complications bring other costs, as well, such as disability claims, loss of productivity (banked hours), absenteeism and training costs. Tied to centers of excellence, BridgeHealth's program mitigates these costs and concerns.

“BridgeHealth’s surgery benefit program ensures high-quality, lower-cost care for our members,” says Castillo. “I’ve recommended this program to other organizations because of the positive feedback from our members and the health plan’s experience with BridgeHealth.”

COMPLETED SURGERY SAMPLE					
PROCEDURE AREA	PROCEDURE TYPE	AK CASE RATE	BRIDGEHEALTH CASE RATE	OTHER COSTS*	SAVINGS
GENERAL SURGERY	HERNIA REPAIR	\$30,801	\$8,900	\$2,548	\$17,413
ORTHOPEDIC	ACL REPAIR	\$45,821	\$12,000	\$4,533	\$29,288
ORTHOPEDIC	HIP REPLACEMENT	\$66,000	\$20,125	\$6,830	\$39,045
ORTHOPEDIC	KNEE REPLACEMENT	\$47,667	\$21,167	\$2,797	\$18,110
ORTHOPEDIC	SHOULDER REPLACEMENT	\$64,500	\$28,000	\$7,952	\$28,548
SPINAL SURGERY	LUMBAR DISCECTOMY/ LAMINECTOMY	\$34,761	\$19,500	\$6,419	\$8,842

*Other costs factored into the savings calculation may include service and access fees, meals and incidentals expenses, transportation and lodging expenses or incentives

Contact BridgeHealth to learn how you can have higher quality surgical benefits without higher cost.